

AT A MEETING of the HIWFRA Standards and Governance Committee of Hampshire and Isle of Wight Fire and Rescue Authority, held at Fire & Police HQ, Eastleigh on Friday 29th July, 2022

Chairman:

* Councillor Derek Mellor

* Councillor David Harrison

* Councillor Gary Hughes

* Councillor Cal Corkery

* Councillor Zoe Huggins

38. APOLOGIES FOR ABSENCE

The Chairman welcomed new Members to the Committee. All Members were present and no apologies were noted.

39. DECLARATIONS OF INTEREST

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

40. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

41. DEPUTATIONS

There were no deputations for the meeting.

42. CHAIRMAN'S ANNOUNCEMENTS

The Chairman confirmed that there would be a separate Teams briefing session scheduled for members of the Committee on the accounts prior to the September meeting, where the annual statement of accounts will be considered.

43. ANNUAL ASSURANCE STATEMENT 2021/22

The Committee considered a report from the Chief Fire Officer (item 6 in the minute book). It was the first combined Annual Assurance Statement since Hampshire and Isle of Wight Fire & Rescue Service launched on 1st April 2021 and a summary of our compliance with statutory obligations through the delivery of a wide range of assurance mechanisms in place to identify risks, areas for improvement, and good practice to disseminate.

After a summary of the report being presented, the following questions were answered:

- The document was shared both internally and externally, with the relevant activity being disseminated to service areas for action and awareness. Externally, and Home Officer queries were received via and through the published document
- The combined document enabled more activity to be recorded with the Isle of Wight and strengthened working practices that had already been in place.

Members thanked officers for the work on the document, which was agreed to be very beneficial and an effective way of seeing everything in context as an overall picture.

RESOLVED

The Hampshire and Isle of Wight Fire and Rescue Service Annual Statement of Assurance was approved by the HIWFRA Standards and Governance Committee

44. **ANNUAL GOVERNANCE STATEMENT 2021/22**

The Committee considered a report from the Chief Fire Officer (item 7 in the minute book), which sought approval for the publication of the Annual Governance Statement (AGS).

In summarising the report, the Chief Internal Auditor confirmed that updates around Covid and the new Risk Register had also been included.

During questions from Members, the following points were clarified:

- Reporting and performance were forefront in measuring outcomes and teams were in place to focus on different areas of the Service
- Social values and policies like Modern Slavery were included as part of the AGS
- Communication was a crucial element in implementing and learning from the AGS and done through internal communications team as well as through staff and team leaders.

RESOLVED

- a. the Annual Governance Statement (AGS) 2021/22 as set out in Appendix A be approved by the HIWFRA Standards and Governance Committee
- b. Members acknowledged that the arrangements continue to be regarded as fit for purpose in accordance with the Framework 2016.
- c. It was agreed that the approved AGS be included into the Annual Statement of Accounts, to meet the Authority's statutory requirement.

45. INTERNAL AUDIT PROGRESS REPORT 2021/22 AND 2022/23

The Committee considered a report from the Chief Internal Auditor (item 8 in the minute book), which provided an overview of internal audit work completed in accordance with the approved audit plans, and an overview of the status of 'live' reports.

Members were updated on issues arising as well as findings and the following points were clarified:

- On average, 185 days were allocated to Internal Auditing at HIWFRS, targeting areas of risk and concern. The plan was flexed depending on what was required and any fraud concerns were generally discovered through whistle blowing
- Members on the Committee could be whistle blowers and encouraged to contact the Internal Auditor any time with concerns. The Internal Audit Charter set out roles and responsibilities and there was direct access between the Chairman of the Fire Authority, Chief Fire Officer and Internal Audit team at all times.
- The plan remained a working document and could be changed if necessary to accommodate anything reactive that arose.
- The assurance levels within the progress report were adopted from CIPFA for consistency.

RESOLVED

The progress in delivering the internal audit plan for 2021/22 and 2022/23 and the outcomes to date were noted by Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee.

46. INTERNAL AUDIT MANAGEMENT ACTIONS PROGRESS REPORT

The Committee considered a report from the Chief Internal Auditor (item 9 in the minute book), which provided the latest update on the management actions that had not been completed within their target date and their status.

The officer summarised the actions overdue and those still open. It was confirmed that safeguarding areas being expanded to include sexual harassment would be investigated and reported back to a future meeting.

Overall there had been significant improvement over the previous five years.

RESOLVED

The HIWFRA Standards and Governance Committee noted the progress made towards the implementation of the internal audit management actions and the delivery of the audit plan.

47. EXTERNAL AUDIT PLANNING 2021/22 ACCOUNTS

The Committee considered a report from the Chief Financial Officer (item 10 in the minute book), which presented an Audit Planning report from Ernst & Young.

The report was generally backwards looking, with an Opinion on financial statements and value for money. A new risk had been established around the merging of the Hampshire and Isle of Wight and onboarding effects, and this was highlighted on page 115 of the pack.

It was confirmed that the audit plan is determined by the external auditor and their assessment of key risks and therefore what is included in the audit plan is the decision of the external auditor. It was confirmed that historic complications around pension payments had not been a failure of audit.

RESOLVED

The Audit Planning Report from EY was noted by the HIWFRA Standards and Governance Committee

48. **ORGANISATIONAL RISK REGISTER UPDATE**

The Committee considered a report from the Chief Fire Officer (item 11 in the minute book), which provided a revised status of the Organisational Risk Register in line with the Risk Management policy and procedure.

Two new risks had been added; the rising cost of living internally for the Service as well as impacts externally with the public under consideration of the prevention teams. Risks were reviewed regularly by the Executive Group.

It was agreed that Members would be provided with more information relating to their champion roles and this would be looked at over the coming few months.

RESOLVED

The HIWFRS Organisational Risk Register status under the delegated management of the Chief Fire Officer was noted by the HIWFRA Standards and Governance Committee.

49. **IMMEDIATE DETRIMENT**

The Committee received a report from the Chief Financial Officer (item 12 in the minute book) regarding the continued suspension of the framework due to unacceptable risks to the Authority and Members that would be the result of processing Immediate Detriment claims at the current time.

Members were given a summary of the issues and guidance that was withdrawn, along with the risks to individual scheme members and the Service of processing claims at the current time.

During questions, the following points were clarified by officers:

- The Hampshire and Isle of Wight Fire and Rescue Authority Pension Board had also looked at the immediate detriment and unanimously agreed that the Service was taking the right approach

- The legislation was not expected until October 2023, but a retrospective decision could be made at that point.

RESOLVED

- a) The continued suspension of the Immediate Detriment Framework was approved by the HIWFRA Standards and Governance Committee
- b) The recommendation not to recover underpaid pension contributions relating to the specific historical pension contribution rate issue was approved by the HIWFRA Standards and Governance Committee

50. **FIRE PENSION BOARD ANNUAL REPORT 2021/22**

The Committee received a report from the Chief Financial Officer (item 13 in the minute book), which summarised the work of the Board for the 2021/22 financial year in the exercise of its functions.

It was confirmed that the McCloud risks had been reported to the Full Authority and were being closely monitored.

RESOLVED

- a) The concerns of the HIWFRA Firefighter's Pension Board over the continued suspension of Immediate Detriment and their support of the work of the Local Government Association (LGA) to apply continued pressure on the Government to provide a solution were noted by the HIWFRA Standards and Governance Committee
- b) The content of the report was noted by the HIWFRA Standards and Governance Committee

51. **INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021-22 (LESS EXEMPT APPENDIX B)**

The Committee considered a report from the Chief Internal Auditor (item 14 in the minute book) detailing the Chief Internal Auditor's opinion on the adequacy and effectiveness of the Authority's framework of risk management, internal control and governance operated for the year ending 31 March 2022.

Overall the Chief Internal Auditor concluded that the frameworks of governance, risk management and management controls in place were reasonable and audit testing has demonstrated controls to be working in practice.

The planning process was summarised along with the work across shared services and the detailed findings were discussed. In particular it was noted that a large amount of work had been carried out by the Service to ensure the quality of Disclosure and Barring Service (DBS) checks, and whilst a 'Limited' opinion had been given for the internal audit review carried out during the year, the findings affected a very small percentage of the workforce and could be easily rectified using the compliance reports that are already available.

RESOLVED

The Hampshire and Isle of Wight Fire and Rescue Authority Standards and Governance Committee accepted the Chief Internal Auditor's annual report & opinion statement for 2021-22.

52. **EXCLUSION OF PRESS AND PUBLIC**

It was resolved that the public be excluded from the meeting during the following items of business, as it was likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, for the reasons set out in the reports.

53. **EXEMPT APPENDIX B - INTERNAL AUDIT ANNUAL REPORT AND OPINION 2021/22**

The Committee received an exempt appendix to item 14 on the agenda [SEE SUMMARY OF EXEMPT MINUTE]

Chairman,